

Common sense prosperity

by Mark Hassed

Our economic system should generate opportunity, encourage employment and reward industriousness. It should deliver a good standard of living to everyone.

Yet, over 2.9 million (13.3%) of Australians live in poverty¹ and over 50% of Australians need Government provided income support.² Why is this so?

The problem is caused by our tax system.

In essence, there are two things that Government can tax:

1. Productive activity (for example working, saving, making things, buying things, selling things, providing services, employing people and so on).
2. Use of land and natural resources.

Our current taxation systems rests very heavily on number one. and much more lightly on number two. This encourages wealthy citizens (and foreigners too) to buy up our land and natural resources and then rent them back to us.

The effects of this are polarisation of wealth, reduced employment, lower wages and higher prices for goods and services.

Prosper Australia advocates getting rid of all taxes on productive activity and for government to rely entirely on taxes on land and natural resources for revenue (including natural monopolies).

If government were to do this, a big majority of Australians would be more prosperous.

If everybody (including companies) paid 6%

annually of the value of the land and natural resources they controlled, then all other taxes would be unnecessary.

Let's say the value of your property (land only not counting improvements) is \$200,000. Your total household tax bill would be \$12,000. You would pay that one bill and then be finished with taxation for the year.

You would not have to pay income tax, GST, sales tax, rates, company tax, FBT, duties, tariffs, excise, CGT, WET, payroll tax nor the myriad of others.

With these dead-weight taxes removed, prices of goods and services would fall significantly

Who could complain about an annual tax bill of \$12,000 if they and their spouse/partner got to keep 100% of their wages and the prices of goods and services were lower?

There are even more advantages of our proposal, such as:

- Avoidance is impossible

At last multinational companies and wealthy individuals pay their share.

- Compliance is simple

No arduous record keeping an expensive accounting. Just one simple payment like the rates.

- Environmental responsibility is rewarded

Because you only pay for the land and resources you use, there's an incentive to use less.

- Privacy is restored

You no longer need to send the tax man details of all your finances and business dealings.

It sounds simple and it is.

1 <https://www.acoss.org.au/poverty/>

2 <https://theconversation.com/factcheck-is-half-to-two-thirds-of-the-australian-population-receiving-a-government-benefit-41027>